

**GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:4908

ANSWERED ON:23.05.2006

MULTI NATIONAL COMPANIES

Athawale Shri Ramdas;Chakraborty Shri Ajay;Chandel Shri Suresh;Gadhavi Shri Pushpdan Shambhudan;Mahato Shri Bir Sing;Virendra Kumar Shri

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

- (a): whether several multi-national companies have sneaked into the small scale industrial sector by adopting irregular and illegal means;
- (b): if so, whether the Government has received any complaints from `Bhartiya Laghu Udyog Mahasangh` regarding penalizing such companies and to scrap the reservation meant for small scale sector;
- (c): if so, the reaction of the Government thereto; and
- (d): the remedial measures being taken by the Government in this regard?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

- (a): Government has occasionally received information of violation of the reservation policy in favour of small scale industries (SSI) by non-SSI units. Under the extant policy, a non-SSI unit can manufacture items reserved for manufacture in the small scale sector after obtaining a licence under the Industries (Development & Regulation) Act, 1951 provided it undertakes an obligation to export a minimum of 50% of the production.
- (b): No, Sir.
- (c): Does not arise.
- (d): The Government has, inter alia, initiated action in three such cases, in accordance with the provisions of the Industries (Development & Regulation) Act, 1951.